

Amtrak in Washington State Focus on the Future

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Amtrak in Washington State: Focus on the Future

Amtrak History

- **Created by Congress in 1970 to relieve freight railroads of unprofitable intercity passenger rail services. Amtrak required to operate a DOT-designated “Basic System.”**
- **In return, Amtrak was given the right of access for intercity passenger trains: freight railroads are obligated to provide Amtrak intercity trains access to their tracks**
- **Limitation of freight railroad charges: compensation in excess of incremental costs must be based on quality of service (i.e., OTP)**
- **Freight/host railroads must give priority dispatching to Amtrak trains**



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Characteristics of Intercity Rail

- **Service Patterns**

Commuter: focused on home-work travel, peak hours; more frequent stops

Intercity: service not focused on peak travel; distance between stops longer

- **Route/Trip length**

- **Amenities and cost of trip**

Pricing strategy is to encourage higher yield trips

Food service, seat comfort, most commuter service passengers use multi-ride tickets



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Amtrak Vital Statistics

- **Serves 46 of the lower 48 states**
 - Amtrak operates an average of 265 trains/day
 - Operates almost exclusively on freight or commuter owned right of way
- **FY 2005**
 - Record ridership – 25.4 million
 - 1.3% increase over FY04
 - West routes increased 5.2% over FY04
 - Operating revenue - \$1.8B
 - Federal appropriation - \$1.2B
 - Total expenses - \$3.0B
 - \$120M in the bank



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Freight Traffic Growing

- **Freight Rail Traffic on record-setting pace**
 - 2005 intermodal traffic and total volumes broke the previous record set in 2004
 - Total volume up 6% in January over prior year
- **Effects on passenger rail = deteriorating reliability**
- **Need for better operational efficiencies and expanded capacity**
- **Need for Capital Funding for Intercity Passenger Rail**
 - Federal capital program essential



Amtrak Route System





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Amtrak Cascades

- **General Characteristics**
 - Eugene – Portland – Seattle – Vancouver, B.C.
 - BNSF and UPRR host railroads
 - Supported by the States of Washington and Oregon
 - SEA-PDX top city pair, SEA-VAC 2nd, PDX-TAC 3rd
- **Performance Measures**
 - FY05 Ridership 623,000: 4.4% over FY04
 - FY06 Ridership YTD: 4% over same period FY05
 - On-time performance YTD: 54%
- **Rider characteristics**
 - 60% female, Majority employed, fairly educated, relatively affluent, 37% are between 35-54 years old
 - 20% travel for business purposes
 - 58% used a car to get to/from a station
 - Primary motivators: rather not drive, uniqueness of train
 - 61% would have used a car if there were no train



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Amtrak's Empire Builder

- **General Characteristics**
 - SEA/PDX – Chicago; BNSF host railroad
 - SEA-CHI top city pair, CHI-Minn/St. Paul 2nd
 - Supported entirely by Amtrak
- **Performance measures**
 - FY05 476,500; 9% increase over FY04
 - FY06 Ridership YTD: 3.5% increase over same period FY05
 - On time performance YTD: 47%
 - Stevens Pass Tunnel – major constraint on railroad
- **Traveler characteristics**
 - Skewed female, avg age 51 yrs, fairly educated, avg. income \$63k, majority employed and 1/3 retired
- **Relaunch**
 - Upgraded amenities, rebuilt coaches and sleepers
 - Results: Sep/Oct, ridership increased 11% and revenues 26% over prior year; 1st Q FY06 travel agency bookings are up 23%



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Amtrak's Coast Starlight

- **General Characteristics**

- Los Angeles – SF Bay Area – Portland – Seattle
- Infrastructure owned by BNSF, Union Pacific RR and SCRRA (Metrolink commuter rail in Los Angeles)
- Supported entirely by Amtrak

- **Performance Measures**

- FY05 372,300: 10% decrease over FY04
- FY06 Ridership YTD 12.5% decrease over FY05
- OTP: 2%: Delays are occurring in Central and Northern California, and Southern Oregon
 - Lack of capacity, slow orders on aging infrastructure and heavy freight congestion

- **Traveler characteristics**

- LAX-SEA highest city pair, LAX-PDX 2nd & San Fran-SEA 3rd



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Joint Planning and Investment = Joint Benefits

- **Amtrak Cascades**
 - Since 1993, WSDOT, Amtrak, ODOT, Sound Transit, BNSF, UPRR, federal and local partners have invested over \$900M
 - Washington will invest over \$250M/10 yrs
 - *ConnectOregon*
- **Investments Include**
 - Track, signals, rolling stock, facilities, stations
 - Providing increased capacity
 - Yielding faster, more frequent and comfortable service, amenities, market analysis



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Long Range Goals for Amtrak Service

- **Amtrak Cascades Long Range Plans**
 - 13 Roundtrips SEA-PDX; trip time 2'30
 - 4 Roundtrips SEA-VAC; trip time under 3'00
 - 5 Roundtrips PDX – EUG; trip time c. 2'00 (ODOT)
 - Ridership 3.0 million/yr (not including PDX-EUG)
 - Considerations
 - Market Viability
 - Institutional Support/Funding
 - Capacity/Engineering/operational viability
- **Empire Builder**
 - Improvements in service, run time and reliability
- **Coast Starlight**
 - Priority: RELIABILITY and service



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Amtrak Strategic Reform Initiatives

- **Major themes:**

- Management reforms and controls
- Become more competitive in the marketplace
- Concentrate on core competencies, outsource services if it makes financial and operational sense
- Focus on customer service and operational efficiencies/OTP
- Labor agreements
- States lead development of corridors
- Federal capital program essential to realize full potential



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Strategic Reform Initiatives: State Corridors

- **Encourage the development of State Corridor services by:**
 - Fostering competition and private sector participation;
 - Establishing uniform cost methodologies for all states;
 - In collaboration with our state partners, providing technical expertise to advance development of the next generation rolling stock;
 - Assisting in positioning the states to take advantage of an 80-20 federal capital program.



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Strategic Reform Initiatives: Long Distance Services

- **Improving the financial performance of Long Distance services by:**
 - Implementing operating efficiencies
 - Focus on improving OTP
 - Developing a new approach to delivering food and beverage services; and
 - Evaluating realignment of long distance routes



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Congressional Direction: FY06 Appropriations Act

- **Funding**

- Amtrak request: \$1.8B
- Final funding: \$1.315B→\$1.293B after rescission
 - \$495 million for operations
 - \$500 million for capital
 - \$280 million for debt service
 - \$40 million for the Secretary of Transportation to use as “efficiency incentive grants”
- Food service
- Discount Tickets
- Sleeper service
- Commuter assessments on NEC

- **FY07 Appropriations Request: TBA**



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Congressional Direction: Authorization

- **HR 1631 (RIDE 21)**
 - Authorizes states to issue \$12B in tax-exempt bonds and \$12B in tax credit bonds
 - 2/1/06: House Ways and Means Committee stripped finance provisions from the bill
- **S. 1516 – Passenger Rail Investment and Improvement Act**
 - \$11.4 B for Amtrak and States for 2005-2011
 - Creates State Capital Grant Program 80-20 match
 - OTP Provisions and STB Involvement
 - Improvements for long distance services
 - Federal bonding program (placeholder)
 - Alternate Passenger Rail Service (host RR's only)
 - Authorizes DHS to fund safety and security
 - In November, Senate voted 93-6 to attach it to the budget reconciliation bill



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Challenges for the Future

- **Must provide capacity to relieve increasing congestion**
- **Customer service**
- **More flexibility to better respond to the market**
 - Outsourcing where feasible
- **Operating Efficiency**
 - Dispatching, speeds, work windows
- **FUNDING: Capital and operating**
 - Project funding and cost sharing important
 - Private and public entities
 - Oregon and British Columbia

